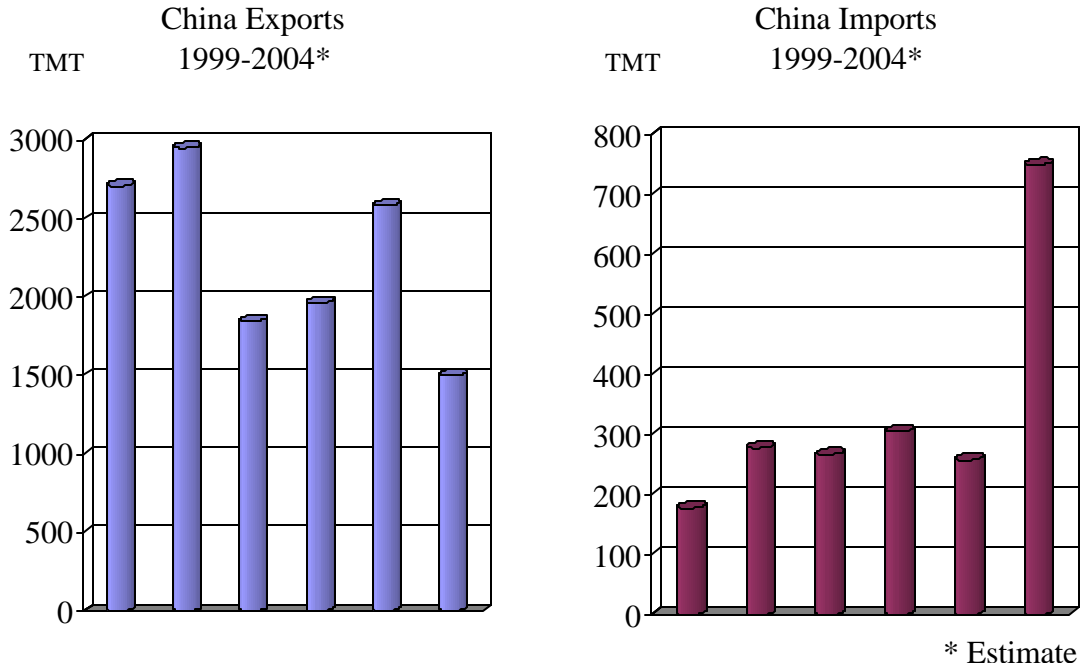

RICE: WORLD MARKETS AND TRADE

MONTHLY HIGHLIGHTS:

Revision. Thailand's 25,000-ton sale of regular white rice to the United States was cancelled and switched to various other destinations.

China imports white rice. In recent weeks, China has purchased and imported non-fragrant, regular white rice from Thailand and Vietnam. Consequently, imports for this calendar year are estimated to increase nearly 500,000 tons to 750,000, the highest since CY1996 when China imported 852,000 tons. Meanwhile, exports are estimated to drop to only 1.5 million tons, the lowest since CY1997. This development comes after six consecutive years of declining production and, especially in recent months, rising domestic prices. China's 2004 import quota under the World Trade Organization is 2.67 million tons.



PRICES:

International: Similar to last month, over the past four weeks, there has been substantial upward movement in Asian export price quotes. Since last month, Thai 100B is up \$26 to \$244 per ton, FOB. In Vietnam, 5% is up \$8 to \$211 per ton, FOB. In India, 5% is up \$58 to \$265 per ton, FOB; prices at this level should allow for unsubsidized exports. The surge in export quotes is largely attributed not only to relatively tight regional supplies, but also increased demand for non-fragrant, white rice in both China and Iraq. With this fresh demand, Asian quotes may continue drifting upward over the next month.

Domestic: U.S. #2/4 long grain milled rice is currently quoted at \$412 per ton, FOB, up \$44 month-to-month. Price quotes for U.S. #1/4 medium grain milled rice from California are at \$510 per ton, bulk, ex-spout Sacramento, flat month-to-month.

TRADE CHANGES IN 2004

Selected Exporters

- **China** down 250,000 tons to 1.5 million based on relatively tight grain stocks and higher domestic prices.
- **Thailand** up 500,000 tons to an estimated record 8.75 million with an anticipated increase in import demand in key markets, such as Nigeria and China.
- The **United States** up 200,000 tons to 3.2 million based on continued strong sales of long grain rough rice to Latin America.
- **Vietnam** up 250,000 tons to 4.25 million based on sales to date.

Selected Importers

- **China** up 475,000 tons to 750,000 based on recent purchases and imports of non-fragrant white rice.

TRADE CHANGES IN 2003

Selected Exporters

- **Australia, Burma, Pakistan, and Uruguay** changes are based on year-end statistics.

Selected Importers

- **Bangladesh, Canada, China, Costa Rica, Cuba, Ghana, Haiti, Honduras, Iraq, Jamaica, Japan, North Korea, South Korea, Mexico, Nicaragua, Nigeria, Peru, and Sri Lanka** changes are based on year-end statistics.

Note: New stock and consumption data has resulted in a revision to the rice stock/consumption series for Nigeria. Consequently, the import estimate for CY 2004 was raised 500,000 tons to 1.75 million.